

CERTIFICATION OF ENROLLMENT
SECOND SUBSTITUTE SENATE BILL 6675

Chapter 13, Laws of 2010

61st Legislature
2010 1st Special Session

GLOBAL HEALTH TECHNOLOGIES AND PRODUCT DEVELOPMENT
COMPETITIVENESS PROGRAM

EFFECTIVE DATE: 07/13/10

Passed by the Senate March 25, 2010
YEAS 44 NAYS 0

BRAD OWEN

President of the Senate

Passed by the House March 22, 2010
YEAS 89 NAYS 8

FRANK CHOPP

Speaker of the House of Representatives

Approved April 5, 2010, 1:37 p.m.

CHRISTINE GREGOIRE

Governor of the State of Washington

CERTIFICATE

I, Thomas Hoemann, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SECOND SUBSTITUTE SENATE BILL 6675** as passed by the Senate and the House of Representatives on the dates hereon set forth.

THOMAS HOEMANN

Secretary

FILED

April 5, 2010

**Secretary of State
State of Washington**

SECOND SUBSTITUTE SENATE BILL 6675

AS AMENDED BY THE HOUSE

Passed Legislature - 2010 1st Special Session

State of Washington 61st Legislature 2010 Regular Session

By Senate Ways & Means (originally sponsored by Senators Murray, Pflug, Shin, Kastama, Kohl-Welles, and Kilmer)

READ FIRST TIME 03/09/10.

1 AN ACT Relating to creating the Washington global health
2 technologies and product development competitiveness program and
3 allowing certain tax credits for program contributions; amending RCW
4 43.79A.040; and adding a new chapter to Title 43 RCW.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** The legislature finds that the global health
7 sector develops new technologies and products for the improvement of
8 health delivery locally and worldwide and that Washington is home to
9 the world's richest collection of global health research and education
10 programs creating new and innovative technologies on a daily basis. It
11 is the intent of the legislature to stimulate the state's economy and
12 foster job creation in the emerging field of global health while
13 improving the health of people in Washington state and the world. The
14 purpose of this act is to create a funding mechanism and a grant
15 program to ensure that Washington remains competitive in global health
16 innovation and to guarantee that the development, manufacture, and
17 delivery of global health products will become an even more dynamic
18 part of the state's economy.

1 NEW SECTION. **Sec. 2.** (1) The Washington global health
2 technologies and product development competitiveness program is
3 created.

4 (2)(a) The program must be administered by a nonprofit organization
5 exempt from income taxation under 26 U.S.C. Sec. 501(c)(6) of the
6 federal internal revenue code whose board of directors is appointed by
7 the governor. The governor must make the appointments after
8 consultation with a statewide alliance of global health research,
9 nonprofit, and private entities. The board consists of the following
10 members:

11 (i) Three members representing private companies engaged in the
12 provision of global health products or services;

13 (ii) Three members representing nonprofit organizations supporting
14 global health research or providing global health products or services;

15 (iii) Three members representing public research institutions
16 engaged in global health research and education; and

17 (iv) One member who is a former elected official.

18 (b) The governor must appoint the chair of the board from among the
19 members. The governor must appoint the members to staggered terms and
20 each appointment may not last more than three years, but an appointee
21 may serve more than one term.

22 (3) The board must contract with the department of commerce for
23 management services to assist the board in implementing the program.

24 (4) The board must solicit and receive gifts, grants, bequests,
25 royalty payments, licensing income, and other funds from businesses,
26 foundations, and the federal government to promote the development and
27 delivery of global health technologies and products. All federal funds
28 received must be deposited in the Washington global health technologies
29 and product development account created in section 3 of this act. All
30 remaining nonstate funds received must be deposited in an account that
31 the board creates and administers to carry out the purposes of this
32 section. Expenditures from the account created by the board may be
33 used only for funding activities of the program created in this
34 section. Of the total amounts deposited into these accounts, no more
35 than three percent of the total funds may be used for the department of
36 commerce's management services and administrative expenses related to
37 the program created in this section.

1 (5) The board must establish eligibility criteria for global health
2 technologies and product development grants and adopt policies and
3 procedures to facilitate the orderly process of grant application,
4 review, and reward.

5 (6) In making grants to entities pursuant to contract for the
6 development, production, promotion, and delivery of global health
7 technologies and products, the board must consider the following:

8 (a) The quality of the proposed research or the proposed technical
9 assistance in product development or production process design. Any
10 grant funds awarded for research activities must be awarded for
11 nonbasic research which will assist in commercialization or manufacture
12 of global health technologies;

13 (b) The potential for the grant recipient to improve global health
14 outcomes;

15 (c) The potential for the grant to leverage additional funding for
16 the development of global health technologies and products;

17 (d) The potential for the grant to stimulate, or promote technical
18 skills training for, employment in the development of global health
19 technologies in the state;

20 (e) The willingness of the grant recipient, when appropriate, to
21 enter into royalty or licensing income agreements with the board; and

22 (f) Any other factors, as the board determines.

23 (7) Grant contracts must specify that award recipients must conduct
24 their research, development, and any subsequent production activities
25 within Washington, with the exception of activities such as clinical
26 trials that must be carried out in developing countries, and that a
27 failure to comply with this requirement will obligate the recipient to
28 return the amount of the award plus interest as determined by the
29 board.

30 (8) Upon the recommendation of the Washington economic development
31 commission, the board may provide funding for the recruitment and
32 employment by public research institutions and global health nonprofit
33 organizations in the state, of global health researchers with a history
34 of commercialization of global health technologies.

35 (9) Each project receiving a grant under this section must report
36 information to the board in the format and at the intervals as the
37 board requires to provide accountability and to evaluate the
38 effectiveness of the program. The information reported must include

1 the amount of funding received; the funding, if any, leveraged by the
2 grant; the number and types of jobs created as a result of the grant;
3 and any other information that the board requires. The board must use
4 the information to prepare an annual evaluation of the program for a
5 report to the appropriate committees of the legislature and the
6 governor, beginning December 1, 2012.

7 NEW SECTION. **Sec. 3.** The Washington global health technologies
8 and product development account is created in the custody of the state
9 treasurer. Only the board of directors of the Washington global health
10 technologies and product development competitiveness program or the
11 board's designee may authorize expenditures from the account. All
12 federal moneys received from the solicitations required in section 2 of
13 this act and all state funds appropriated for the specific purposes of
14 the Washington global health technologies and product development
15 competitiveness program must be deposited in the account. Expenditures
16 from the account may be used only for funding activities of the
17 Washington global health technologies and product development
18 competitiveness program created in section 2 of this act. The account
19 is subject to the allotment procedures under chapter 43.88 RCW, but an
20 appropriation is not required for expenditures.

21 **Sec. 4.** RCW 43.79A.040 and 2009 c 87 s 4 are each amended to read
22 as follows:

23 (1) Money in the treasurer's trust fund may be deposited, invested,
24 and reinvested by the state treasurer in accordance with RCW 43.84.080
25 in the same manner and to the same extent as if the money were in the
26 state treasury.

27 (2) All income received from investment of the treasurer's trust
28 fund shall be set aside in an account in the treasury trust fund to be
29 known as the investment income account.

30 (3) The investment income account may be utilized for the payment
31 of purchased banking services on behalf of treasurer's trust funds
32 including, but not limited to, depository, safekeeping, and
33 disbursement functions for the state treasurer or affected state
34 agencies. The investment income account is subject in all respects to
35 chapter 43.88 RCW, but no appropriation is required for payments to

1 financial institutions. Payments shall occur prior to distribution of
2 earnings set forth in subsection (4) of this section.

3 (4)(a) Monthly, the state treasurer shall distribute the earnings
4 credited to the investment income account to the state general fund
5 except under (b) and (c) of this subsection.

6 (b) The following accounts and funds shall receive their
7 proportionate share of earnings based upon each account's or fund's
8 average daily balance for the period: The Washington promise
9 scholarship account, the college savings program account, the
10 Washington advanced college tuition payment program account, the
11 agricultural local fund, the American Indian scholarship endowment
12 fund, the foster care scholarship endowment fund, the foster care
13 endowed scholarship trust fund, the students with dependents grant
14 account, the basic health plan self-insurance reserve account, the
15 contract harvesting revolving account, the Washington state combined
16 fund drive account, the commemorative works account, the Washington
17 international exchange scholarship endowment fund, the toll collection
18 account, the developmental disabilities endowment trust fund, the
19 energy account, the fair fund, the family leave insurance account, the
20 food animal veterinarian conditional scholarship account, the fruit and
21 vegetable inspection account, the future teachers conditional
22 scholarship account, the game farm alternative account, the GET ready
23 for math and science scholarship account, the Washington global health
24 technologies and product development account, the grain inspection
25 revolving fund, the juvenile accountability incentive account, the law
26 enforcement officers' and firefighters' plan 2 expense fund, the local
27 tourism promotion account, the pilotage account, the produce railcar
28 pool account, the regional transportation investment district account,
29 the rural rehabilitation account, the stadium and exhibition center
30 account, the youth athletic facility account, the self-insurance
31 revolving fund, the sulfur dioxide abatement account, the children's
32 trust fund, the Washington horse racing commission Washington bred
33 owners' bonus fund and breeder awards account, the Washington horse
34 racing commission class C purse fund account, the individual
35 development account program account, the Washington horse racing
36 commission operating account (earnings from the Washington horse racing
37 commission operating account must be credited to the Washington horse
38 racing commission class C purse fund account), the life sciences

1 discovery fund, the Washington state heritage center account, the
2 reduced cigarette ignition propensity account, and the reading
3 achievement account. However, the earnings to be distributed shall
4 first be reduced by the allocation to the state treasurer's service
5 fund pursuant to RCW 43.08.190.

6 (c) The following accounts and funds shall receive eighty percent
7 of their proportionate share of earnings based upon each account's or
8 fund's average daily balance for the period: The advanced right-of-way
9 revolving fund, the advanced environmental mitigation revolving
10 account, the city and county advance right-of-way revolving fund, the
11 federal narcotics asset forfeitures account, the high occupancy vehicle
12 account, the local rail service assistance account, and the
13 miscellaneous transportation programs account.

14 (5) In conformance with Article II, section 37 of the state
15 Constitution, no trust accounts or funds shall be allocated earnings
16 without the specific affirmative directive of this section.

17 NEW SECTION. **Sec. 5.** Sections 1 through 3 of this act constitute
18 a new chapter in Title 43 RCW.

Passed by the Senate March 25, 2010.

Passed by the House March 22, 2010.

Approved by the Governor April 5, 2010.

Filed in Office of Secretary of State April 5, 2010.